

March 21, 2005

Construction continues as Fagen now has 37 employees on site. A majority of the work is now being focused on the Main Process Building. A lot of the work thus far is not visible from the camera with footings being poured and underground pipe and plumbing being laid. Some of the work scheduled for this week includes filling the liquefaction tanks, forming and pouring walls for the acid containment walls, excavating and pouring footings for the methanator, cook water, thin stillage, whole stillage, and syrup tanks, and preparation for pouring of the process slab.

Dirt work is now being done to prepare the tank farm for construction. This is the area where ethanol and denaturant will be stored. There will be 2 denatured ethanol tanks that will each hold 1 million gallons, 2 - 200 proof ethanol tanks each holding 180,000 gallons, and 1 denaturant tank holding 60,000 gallons. These tanks will be located on the east side close to where the dirt is now piled.

On Tuesday of last week we were able to sign loan documents with our bank. This has been a long and tedious job we are happy to put behind us. With this in place we can begin the procedure to break escrow and start using the funds raised in the equity drive for construction costs.